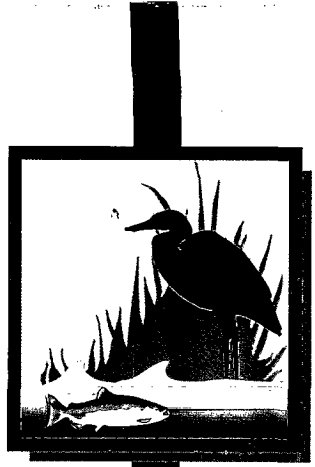

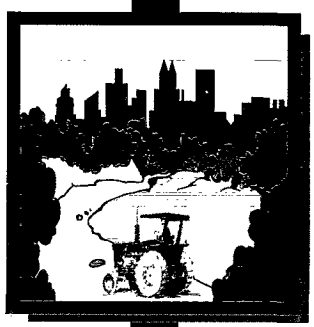

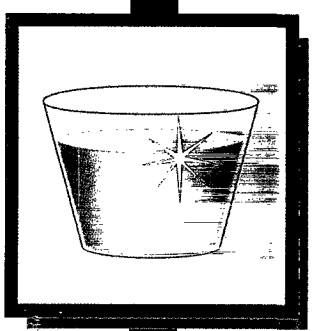

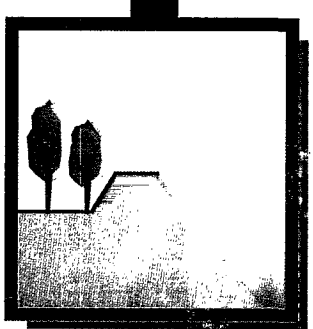

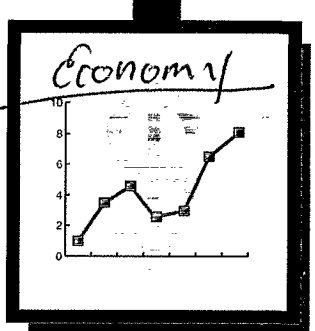

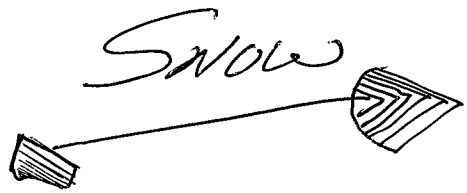

CALFED
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1. Brief update
- using primarily this doc
- supplement
2. Restoration Project funding status Report — Cindy

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CALFED BAY-DELTA PROGRAM

July 1998 Briefing Packet

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Program Update

F-001725

Program Overview

The CALFED Bay-Delta Program was initiated in 1995 by Governor Pete Wilson and the Clinton Administration to address environmental and water management problems associated with the Bay-Delta system, an intricate web of waterways created at the junction of the San Francisco Bay and the Sacramento and San Joaquin rivers and the watershed that feeds them. Today the Bay-Delta system is in serious trouble. Habitats are declining, and some native species are listed as endangered. The system has suffered from impaired water quality, and water supply reliability has declined significantly. Many levees are structurally weak and present a high risk of failure.

The Bay-Delta system is a critically important part of California's natural environment and economy. It supplies drinking water for more than 22 million Californians and irrigation water for the state's $24 billion agricultural industry. It also supports 750 plant and animal species, some found nowhere else on the planet. Ultimately, California's trillion-dollar economy, the seventh largest in the world, is at risk if Bay-Delta system environmental and water management problems are not resolved.

The CALFED Program is divided into three phases. Phase I, completed in September 1996, concentrated on identifying and defining the problems confronting the Bay-Delta system. Also during Phase I, a mission statement and guiding principles were developed along with Program objectives and an array of potential actions to meet them.

During Phase II, currently underway, the Program is conducting a comprehensive programmatic environmental review process. Because the CALFED solution area is so large, and because it is approaching its task in an integrated, comprehensive way, environmental review must be conducted on a very broad level. Site-specific, detailed environmental review will occur during Phase III, prior to the implementation of each proposed action. Implementation of the CALFED Bay-Delta solution is expected to take 25 to 30 years.

To comply with the National Environmental Policy Act (EIS) and the California Environmental Quality Act (EIR), CALFED released a Programmatic Environmental Impact Statement/Programmatic Environmental Impact Report (EIR/EIS) to the public on March 16. The main document and executive summary contain the following information:

- Definition of Program scope;
- Potential impacts of solution alternatives, each containing program elements for ecosystem restoration, water quality, water supply reliability and levee system integrity, Delta conveyance and a range of storage options;
- Potential impacts of the no-action alternative;
- Steps that have been and will continue to be taken to identify a preferred alternative;

- Current regulatory climate and potential land-use changes;
- Public involvement opportunities.

Public Comment

CALFED sought public input on the three potential solutions in a series of 17 public hearings held throughout the state (see Appendices). On May 11, in the first of a series of strategic planning meetings, Gov. Wilson and Interior Secretary Bruce Babbitt extended the original 75-day public comment period for the draft Programmatic EIS/EIR to July 1.

Several thousand Californians offered their opinions on proposed solutions to environmental and water management conflicts in the Bay-Delta system. A preliminary tally of the responses includes over 1,500 letters from private citizens, businesses and public agencies; 4,000-5,000 form letters and postcards from organized mail campaigns; and over 400 spoken comments delivered at 17 public hearings. CALFED Program staff estimate that this amounts to approximately 20,000 individual comments on Program elements.

Preliminary review identifies several top areas of public concern:

- water conservation;
- new water storage and conveyance facilities, which receive mixed levels of support in various areas of California;
- agricultural issues, including land conversion;
- protection of area of origin and general water rights;
- finance, with concerns about loss of tax base revenue, and who will pay and how much.

Each comment will be catalogued and responded to in the revised draft Programmatic EIS/EIR that will be released in December. The revised draft will describe the preferred alternative and an implementation plan for Stage 1 of the Program. A second public comment period will follow the release of the revised draft EIS/EIR, with public hearings to be held statewide early next year.

→ Gov – Sec

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→ Framework

update
- program dev
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- Status of Bay D Act funding
- - - - - -
Stakeholder demeanor

Choosing an Alternative

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Choosing a Preferred Alternative

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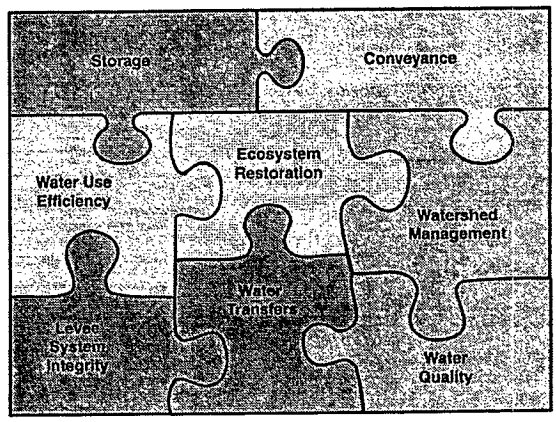
Developing a Draft Preferred Program Alternative

CALFED is exploring three basic alternatives (approaches) to solving the problems in the Bay-Delta system and will select a draft preferred program alternative by late 1998.

The Pieces

The preferred program alternative will be a comprehensive package of the eight program elements that, together, must reduce conflicts in the Bay-Delta system. Each of these eight program elements will move forward together to solve problems in four areas of the Bay-Delta system:

- Ecosystem
- Water Supply Reliability
- Water Quality
- Levees System Integrity



Staged Decision-Making

Because of the complexity and large number of items to be completed as part of the CALFED Bay-Delta Program, implementation will be conducted in several stages over 30 or more years. The programmatic nature of the EIS/EIR provides the general direction for long-term implementation but not the specific information necessary for every decision needed during the decades of implementation. Also, the concept of "adaptive management" is an essential part of every Program element to allow necessary adaptations as conditions change and as we learn more about the system and how it responds to our efforts. Therefore, staged decision-making will be required throughout the implementation period. Staged decision-making will begin with certification of the Programmatic EIS/EIR and identification of:

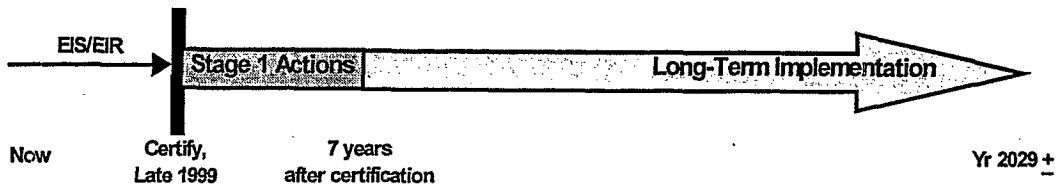
- General direction for long-term implementation;
- Certain actions for the first stage of implementation;
- Certain actions for future stages with associated conditions to guide future decisions on those actions;
- Primary and contingent strategies for implementation where necessary.

These will allow staging of additional decisions in the future when more scientific information will be available and the effects of previous actions will be better known.

Implementation Time Line

There are three distinct time periods leading to completion of Program implementation:

- Between now and certification of Programmatic EIS/EIR in late 1999
- Stage 1 implementation for the first 7 years following EIS/EIR certification
- Long-term implementation extending, for 30 years, to approximately 2029



Structure of Draft Preferred Program Alternative

At the time of certification of the Programmatic EIS/EIR, CALFED will have a long-term implementation plan for all eight Program elements, strategies for Delta conveyance and surface storage, a set of predefined conditions and important linkages to guide future decisions, assurance and finance packages, and a well-defined set of actions for implementation in Stage 1. This structure provides long-term guidance for Program implementation and more specific near-term information to begin Program implementation.

Long-Term Implementation Plan - The long-term implementation plan will include the overall plan and direction for the 30-year implementation period. Near-term actions will naturally be shown in more detail than actions planned near the end of the implementation period.

Delta Conveyance Strategy - The structure also includes important strategies for conveying water through or around the Delta:

- The primary strategy is to implement a through-Delta conveyance alternative based on the existing Delta configuration or modifications of Delta channels.
- The contingent strategy is to implement a dual Delta conveyance using through-Delta channels and an isolated facility only if the primary strategy does not meet CALFED goals. Dual Delta conveyance will only be considered if predefined conditions and linkages are met.

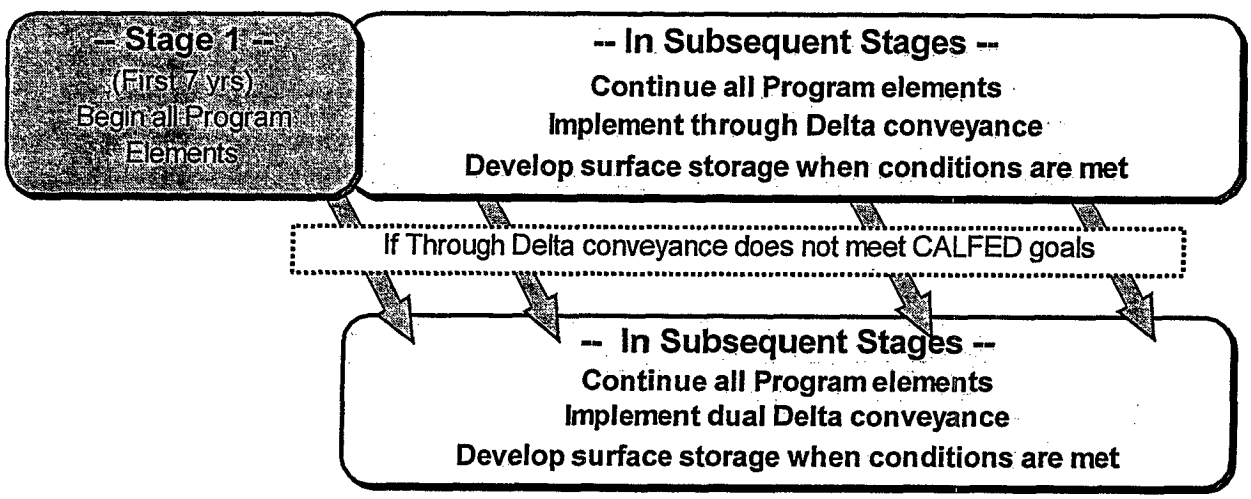
Surface Storage Strategy - Surface storage will be implemented when predefined conditions are met.

Some Important Conditions and Linkages for Future Decisions

- Meeting the CALFED mission statement and goals depends on significant progress on all eight program elements. The actions in Stage 2 proceed if there is reasonable progress for all program elements in Stage 1.

- A dual Delta conveyance with an isolated facility will only be considered if there is a **public health** mandate (e.g., bromide levels) that cannot be addressed more economically by source water improvements/improved water treatment, **---or---** there is inability to achieve **fishery recovery** due to water exports from the south Delta.

- Surface storage will be built as long there is defined progress for the water use efficiency program.



Assurance and Finance Packages - An assurance package is a set of actions and mechanisms to assure that the Program will be implemented and operated as agreed. The finance package is a set of financing principles and general cost allocation strategies that outlines how Program implementation will be funded, including public and user costs

Some Important Stage 1 Actions - A draft Stage 1 action list currently exceeds 12 pages in length. Following is a sampling of these actions for each Program element and for related assurances, financing, and monitoring/research/adaptive management:

- **Assurances** - Negotiate final agreements based on principles available at time of EIS/EIR certification.
- **Finance** - Establish reliable short-term and long-term funding (establish cost-share agreements and user fees; seek federal authorization/appropriation and authority to sell state bonds).
- **Monitoring, Research, and Adaptive Management** - Implement monitoring plan under direction of a single umbrella entity with linkage to adaptive management process.
- **Water Transfer Framework** - Refine technical, operational and administrative rules, establish a clearinghouse to ensure public participation and disclose information, and resolve allocation of available transfer capacity.
- **Water Use Efficiency** - Expand Department of Water Resources and U.S. Bureau of Reclamation programs to provide technical and planning assistance and participate in conservation and water recycling demonstration projects.
- **Levees** - Begin funding levee improvements up to PL84-99 and further improve select levees that have significant statewide benefits.
- **Ecosystem Restoration** - Implement restoration projects for habitat improvements on 25,000 to 30,000 acres, continue high priority actions that reduce stressors of direct fish mortality such as new fish screens, and develop an ecosystem water market.
- **Water Quality** - Initiate high priority water quality improvement actions and conduct studies/testing/pilot evaluations to define additional needed actions.
- **Watershed Management** - Establish a clearinghouse to assist watershed groups with information, provide stewardship funds to foster local watershed groups, and identify funding opportunities to provide incentives to the local groups.
- **Storage** - Initiate groundwater demonstration and production projects and conduct studies and evaluations necessary for permitting surface storage.
- **Conveyance** - Implement south Delta improvements, construct fish screen demonstration project, and conduct studies and evaluations for through-Delta improvements and the contingent strategy for the isolated facility (studies of isolated facility in Stage 1 are only to keep this a viable option incase through-Delta improvements do not meet CALFED goals).

Restoration Coordination Update

While the details of the preferred alternative are being finalized, certain ecosystem restoration projects already have begun. These include restoration activities that will be beneficial to the long-term Program, regardless of which alternative ultimately is selected.

The Price Tag

The CALFED ecosystem restoration process is charged with recommending activities to be funded from the $157 million in state, federal and stakeholder contributions available this year, which includes the $85 million appropriated by Congress in FY '98 under the Bay-Delta Act. CALFED also is planning restoration activities that will be implemented in FY '99 with additional funding from congressional appropriations under the Bay-Delta Act.

Progress to Date

The $157 million state, federal and stakeholder funds available in FY '98 have been allocated to 71 projects and over 20 programs.

A proposal solicitation is underway to identify specific projects for nine of the programs included in the $157 million. In the recent proposal solicitation, 182 proposals were received and are now in technical review. A decision on these is expected in mid-September. The remaining programs are being implemented by specific agencies. For example, the FY '98 program includes the Environmental Water Program that seeks to implement flow-related actions in the near-term in coordination with the Central Valley Project Improvement Act (CVPIA). To ensure the close coordination with CVPIA, the U.S. Bureau of Reclamation (USBR) is implementing this program.

Of the $85 million appropriated under the Bay-Delta Act, approximately $49 million has been obligated or a contract is in process; $16.5 million has been placed in the Environmental Water Program; and the joint state/federal proposal solicitation package included $21.45 million in federal programs, and programs such as Small Diversion Fish Screens Program working with local communities and technical experts to implement programs.

All obligated & Allocated

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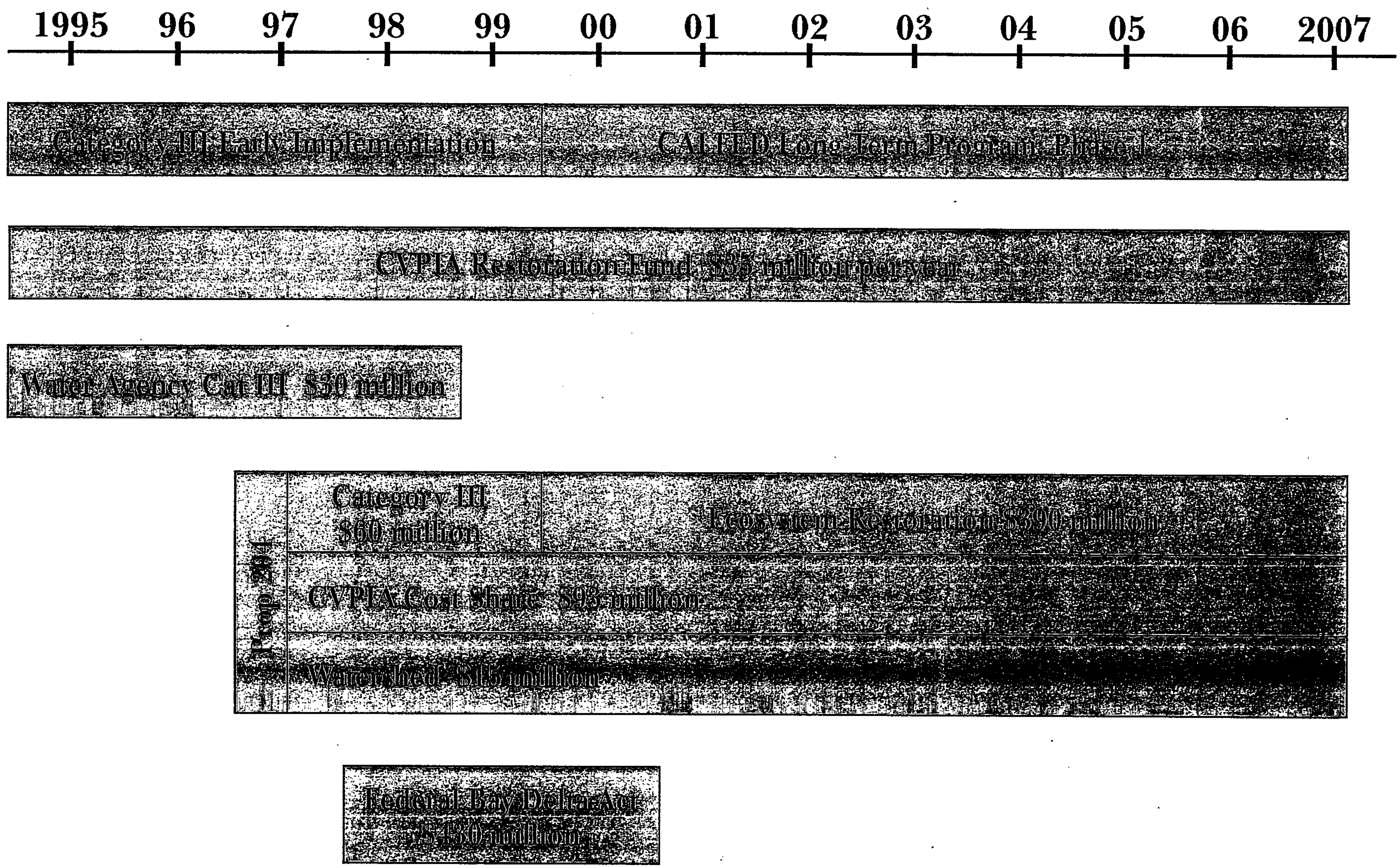
The Price Tag



CALFED BAY-DELTA PROGRAM

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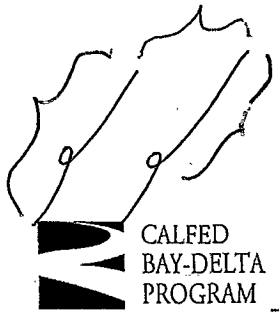
FY '98 Building Momentum

38 projects and programs approved to date, totalling $85 million

- 10 projects and programs totalling $23.3 million approved on January 16
- 28 projects and programs totalling $61.7 million approved on April 28

Status of projects and programs already approved:

- $49.3 million obligated in contracts or contracts in preparation
- Joint state/federal Proposition Solicitation Package which included $21.45 million in previously approved programs produced 182 additional proposals which are now under technical review
- $16.5 million for Environmental Water Acquisition Program
- Programs such as Small Diversion Fish Screens Program working with local communities and technical experts to implement projects.



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How the Projects are Selected

Projects and programs are selected through a collaborative process involving stakeholders and CALFED agencies. Stakeholder input has come from the federally chartered Bay-Delta Advisory Council (BDAC) and the Ecosystem Roundtable, a subcommittee of BDAC specifically created to provide recommendations from a broad cross-section of stakeholder interests. The decision-making process includes the following steps:

- Identify ecosystem restoration priorities
- Identify types of actions to address these priorities
- Solicit proposals to address these priorities
- Recommend which proposals to fund

Technical priorities for FY '99 have been developed and are being reviewed by the Ecosystem Roundtable and the CALFED agencies.

1998 Project Profiles

Many valuable ecosystem restoration projects are being funded. Two projects with multiple benefits are highlighted below.

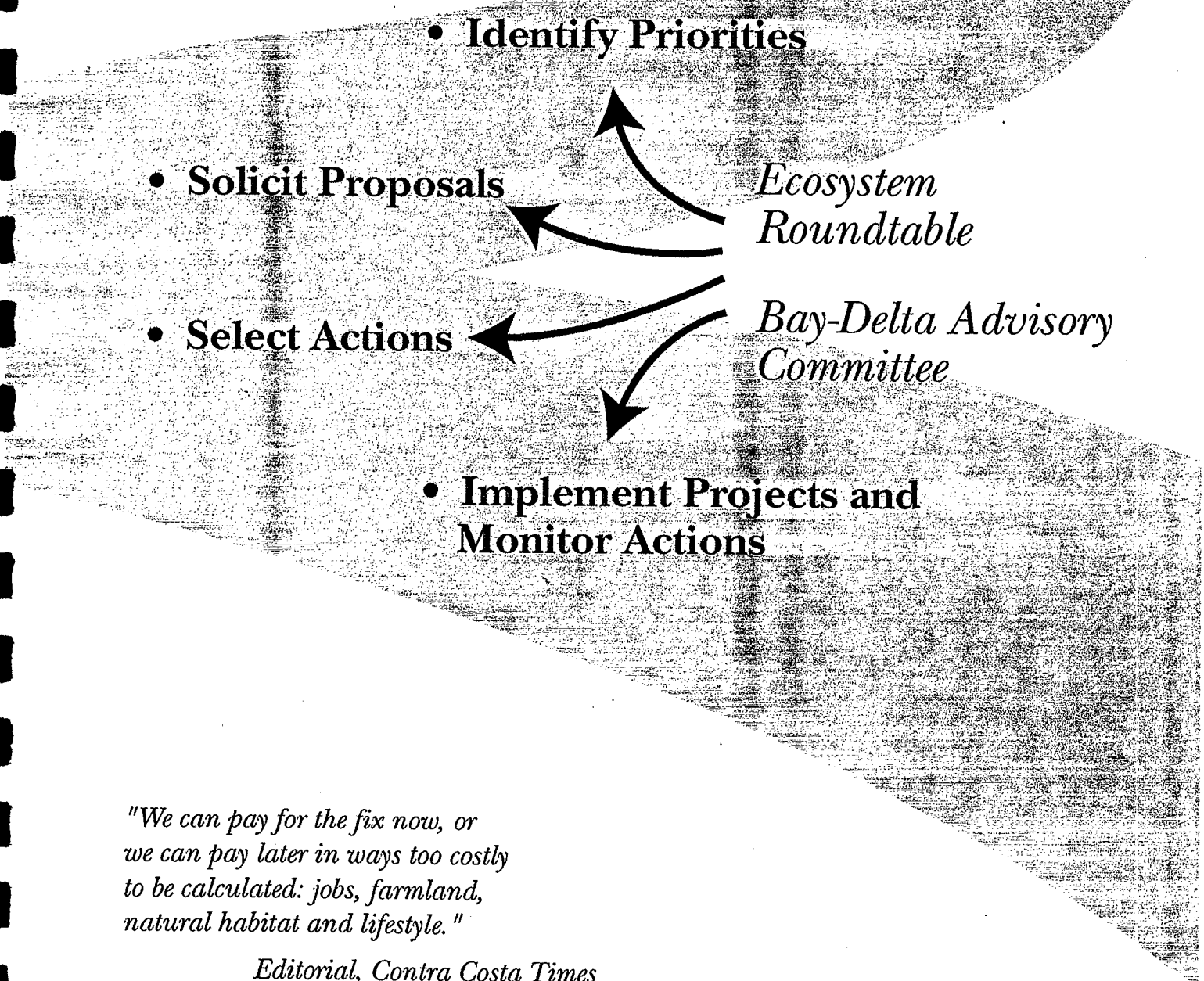
Implementing Programs to Reduce the Use of Pesticides & Fertilizers in Sacramento & San Joaquin Watersheds, $472,000

Community Alliance with Family Farmers (CAFF) is a statewide nonprofit organization in rural communities to promote sustainable agriculture on family-scale farms in rural communities. It operates two programs in five counties – San Joaquin, Madera, Colusa, Merced and Stanislaus – in the Sacramento River and San Joaquin River watersheds that have been successful in encouraging farmers to reduce or eliminate pesticide use. Chemicals used in almonds and walnuts have been traced to contamination of the Bay-Delta, and studies show agricultural pesticides are often present in San Joaquin Valley streams at levels that could harm fish and other water organisms. Reduced use of agricultural chemicals can improve water quality in the Bay-Delta.

One CAFF program, Biologically Integrated Orchard Systems (BIOS), provides technical information to farmers interested in reducing or eliminating pesticide use. BIOS includes training and hands-on assistance in alternative production practices for almond and walnut growers, farm demonstration and field days in agricultural communities. Farmers working with BIOS have learned to use tools such as planting cover crops, providing habitat for beneficial insects and other wildlife, and monitoring levels of both pest and beneficial insects. Said one farmer, "With this program, I have learned how to have healthier trees and use less chemicals."

Taking Action

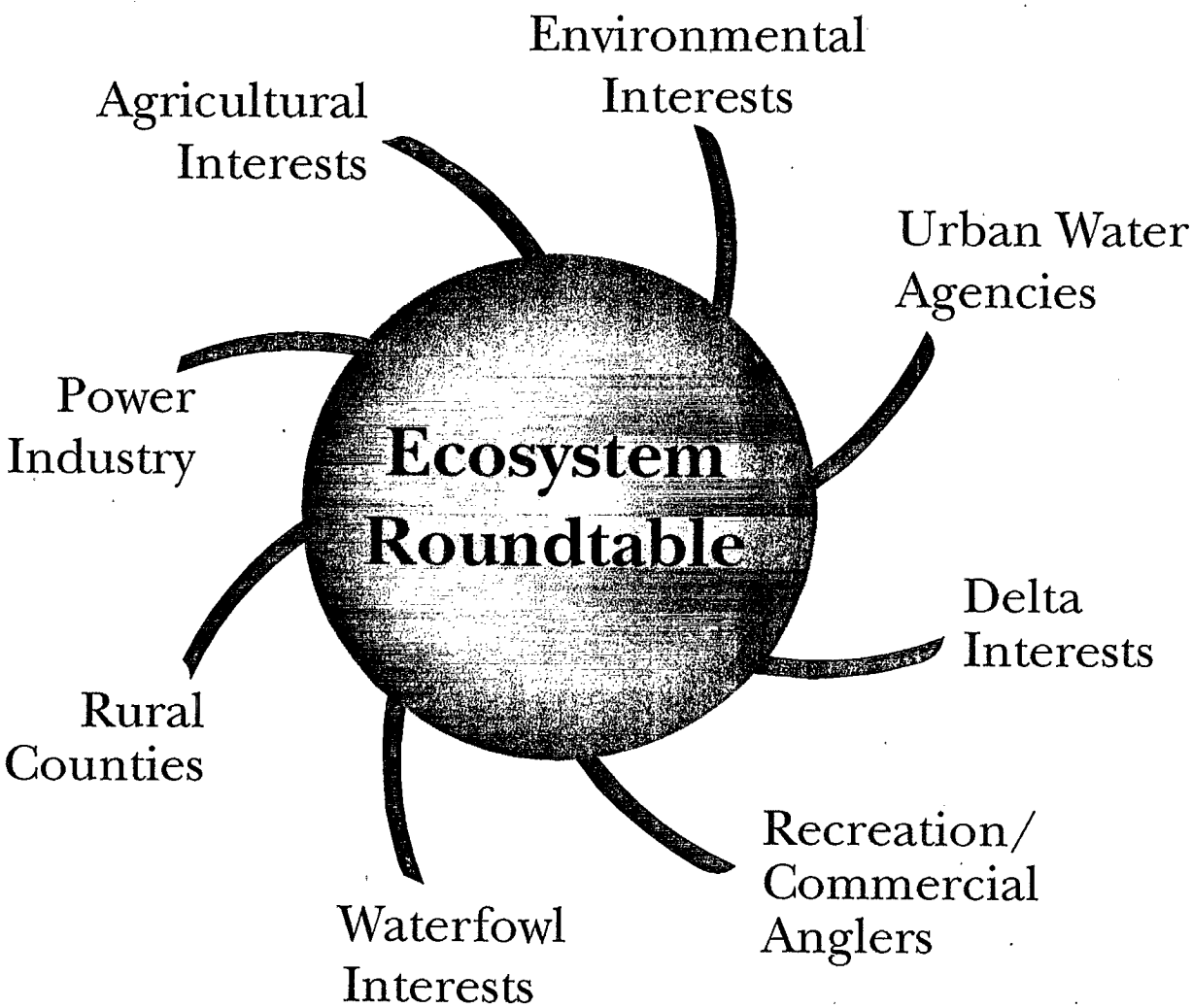
The Decision-Making Process



"We can pay for the fix now, or we can pay later in ways too costly to be calculated: jobs, farmland, natural habitat and lifestyle."

Editorial, Contra Costa Times

The Ecosystem Roundtable Partnership



CALFED BAY-DELTA PROGRAM

FY '99 Priorities

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A second program, The Lighthouse Farm Network (LFN), provides a forum for farmers to share their experiences as they reduce or eliminate the use of toxic chemicals. LFN provides a support system for farmers as they use and refine these new management tools. Information about these new practices is communicated through this network to other farmers, pest control advisors, and state, county and local agencies.

To date, BIOS and LFN have operated as demonstration and technique development programs. With funding from CALFED, the programs will begin facilitating widespread conversion to biological farming strategies. Over three years, CAFF will expand BIOS and LFN through an extensive media and public outreach campaign to build widespread acceptance and application of biological techniques for pest control. CAFF will continue to coordinate BIOS and LFN to offer consistent technical support to farmers and the community, enlist the support of local leadership, while overseeing transition of the projects to local leadership as BIOS methods become regular practice.

Reduction or elimination of the targeted chemicals will result in enhanced habitat for a large variety of aquatic species and an improved physical environment for people because of the broader diversity of species and the elimination of chemicals from surface and groundwater.

Demonstration Project for Protection & Enhancement of In-Channel Islands, $270,270

Delta in-channel islands provide habitat for many special status species. They also provide valuable recreational, aesthetic and levee protection benefits. After the completion of a series of riprap projects in 1994, concerns were raised about overuse of riprap in habitat protection and restoration projects. Riprap is effective in protecting levees from erosion, but is unsightly and prevents the growth of vegetation for fish and wildlife habitat. A workgroup was established in 1996 to develop a management plan for Delta in-channel islands to maintain the many fish and wildlife, recreational and aesthetic benefits.

The workgroup is composed of state and federal agency staff, local government, landowners, reclamation and flood control districts, environmentalists, scientists, boaters, agricultural interests and elected officials. This proposal is the result of their work: The development of methods and techniques to restore and manage in-channel Delta islands for the CALFED Ecosystem Restoration Program Plan (ERPP), and to clarify and simplify the permitting process for such projects. Their effort demonstrates effective coordination and collaboration among agencies and interest groups.

The grant from CALFED will fund designing and permitting for this demonstration project. Four islands will be examined; three are located near Webb Tract in Contra Costa County, and one is in San Joaquin County.

These islands provide a wide range of both habitat and engineering field conditions. At each site, primary stressors, such as dredging activities, invasive aquatic plants, disturbance caused

by commercial and recreational boating, and loss of shallow water habitat will be identified and individual designs to address these stressors will be developed.

An additional project purpose is to retain on-site sediment to maximize shallow water habitat. A benefit of this is that increased sediment deposition prevents erosion of levees. Several different types of bioengineering materials, construction methods and management techniques will be examined. The result will be guidelines for future use by agencies, landowners and others in carrying out the CALFED ERPP.

Target species for habitat enhancement will include Delta smelt, longfin smelt, splittail, spring- and winter-run chinook salmon, striped bass, resident fish species, Bay-delta aquatic food web organisms, Western pond turtle, shorebird and wading bird guild; waterfowl, upland game species, and neotropical migratory bird guild. The identified primary habitat types include mid-channel islands and shoals, tidal perennial aquatic habitat, shaded riverine aquatic, and emergent marsh.

The next phase of the program, construction and implementation of the design is dependent on future funding.

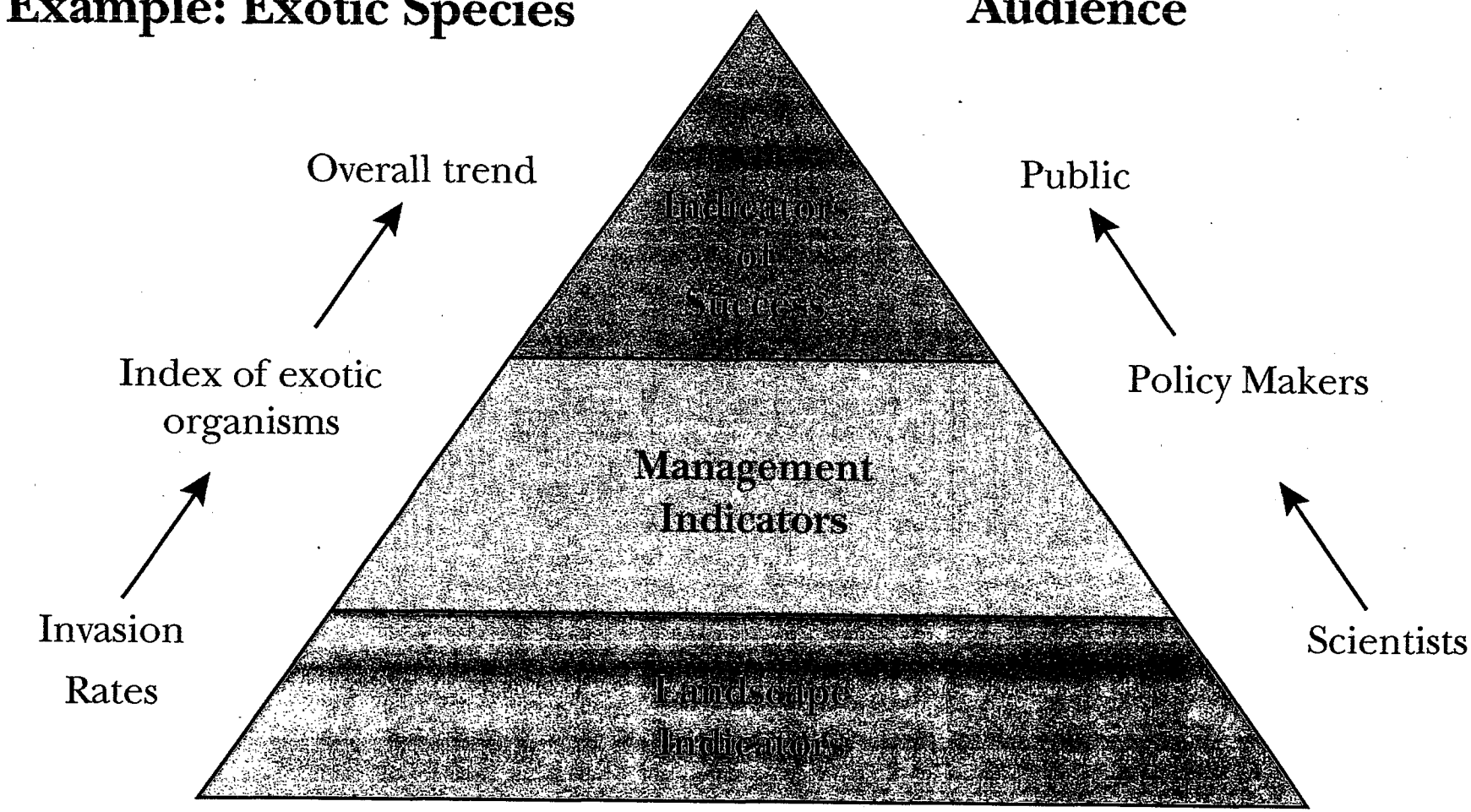
How Success is Measured

Individual projects will be closely monitored to ensure they are implemented correctly and are effective. Overall progress towards the ecosystem restoration goals will be measured using indicators of environmental health.

There are three levels of environmental health indicators. Each level is designed for a specific audience and so is at the appropriate level of detail for that audience. The indicators that will be most useful for the general public are the "Indicators of Success" which measure general trends. The policy makers will be using the "Management Indicators" which give them general guidance on whether the program is making progress on specific objectives. The scientific community will also use the "Landscape Indicators" which can be used to answer specific scientific questions.

Measuring Success

Example: Exotic Species

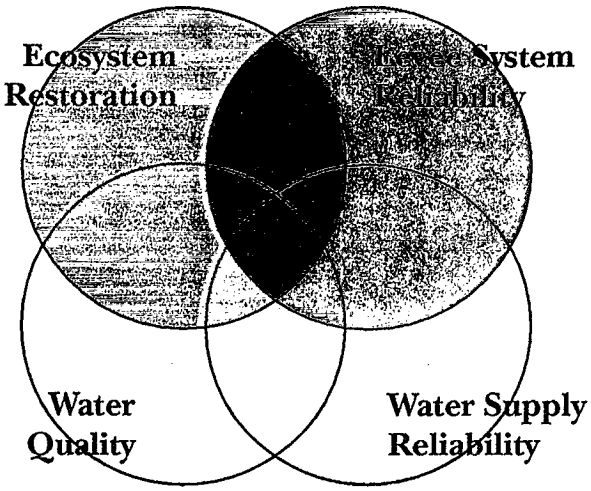


CALFED BAY-DELTA PROGRAM

Benefits to Other CALFED Objectives

While this early effort focuses on ecosystem restoration, many of the projects are also solving problems in other areas. For example, fish screens help farmers divert water when they need it and leave young fish in the river where they belong. Other benefits are water supply reliability, water quality, and levee system reliability.

CALFED is also using new techniques, such as watershed management and floodplain management, to solve old problems. These integrated tools can be used to benefit the ecosystem and also solve flooding problems, improve watershed health, and empower the local communities.



Benefits:

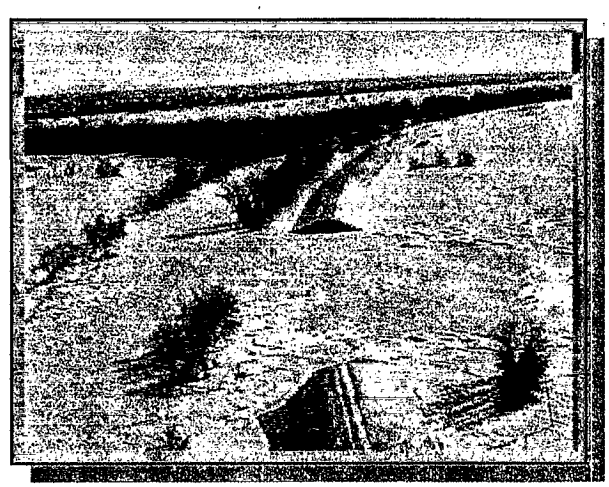
Levee System Reliability

Finding "fish-friendly" ways to repair aging levees protects property and habitat.

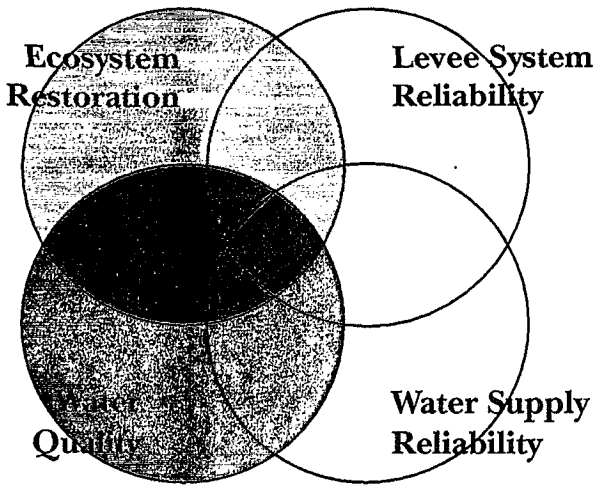
- The Cache Slough Habitat Enhancement project builds habitat for the endangered Delta smelt on a half-mile section of old levee and stops the levee from washing away.

Delta islands, which are below sea level, can "sink" when peat soil is lost. Creating wetlands habitat reduces loss of peat soil and keeps islands from flooding.

- The Twichell Island restoration project experiments with habitat restoration and protection of peat soil.



CALFED BAY-DELTA PROGRAM

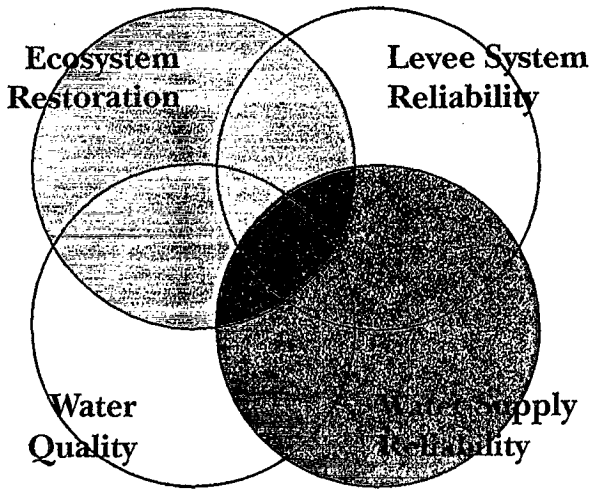


Benefits:

Water Quality

Improved water quality protects the fish that swim in it, the farmers who water their crops with it, and the people who drink it.

- The Integrated Pest Management Program educates people on safe pesticide use so they don't end up in Suisun Bay.
- The San Joaquin River Real-Time Water Quality Management Program helps upstream farmers control run off from their fields so the San Joaquin River is safe for fish and so downstream farmers can use it to irrigate their fields.



Benefits:

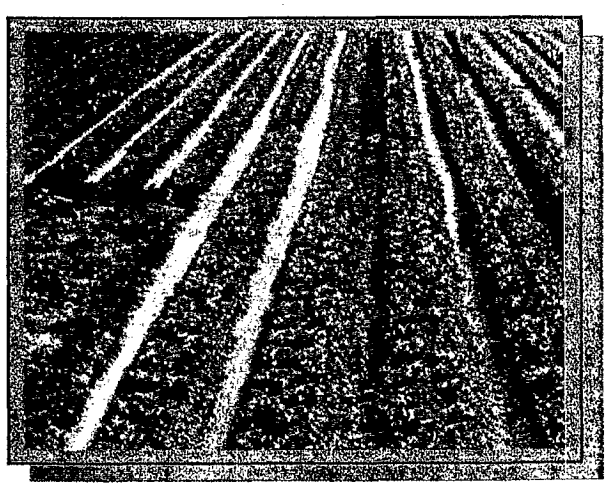
Water Supply Reliability

Fish screens
...let farmers get water when they need it and leave young fish in the river where they belong.

- Richter Brothers Fish Screen project helps a farmer screen a small pump on the Sacramento River.
- Woodbridge Fish Screen and passage project helps a local irrigation district solve problems at a diversion on the Mokelumne River.

Fish passage
...projects help farmers fix small diversion dams so adult salmon can swim past them to lay their eggs and the farmers can still get the water they need.

- McCormick Saeltzer Dam project fixes an old dam so salmon can move upstream easily and the farmer can still get the water they need.
- Anderson Cottonwood Irrigation district District fish passage project finds ways to fix a dam built around the turn of the century on the Sacramento River.



CALFED BAY-DELTA PROGRAM

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Appendices

1998 Revised EIS/EIR Schedule
Public Hearings Schedule
Wilson-Babbitt Press Release
Public Comment Press Release
CALFED FY 1999 Ecosystem Investments